

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 278

SENATE BILL 1405

AN ACT

AMENDING SECTIONS 15-185 AND 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.02; AMENDING SECTION 15-945, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-980; AMENDING LAWS 2002, CHAPTER 330, SECTIONS 49 AND 51; MAKING APPROPRIATIONS; RELATING TO EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-185, Arizona Revised Statutes, is amended to
3 read:

4 15-185. Charter schools; financing; definitions

5 A. Financial provisions for a charter school that is sponsored by a
6 school district governing board are as follows:

7 1. The charter school shall be included in the district's budget and
8 financial assistance calculations pursuant to paragraph 3 of this subsection
9 and chapter 9 of this title, except for chapter 9, article 4 of this title.
10 The charter of the charter school shall include a description of the methods
11 of funding the charter school by the school district. The school district
12 shall send a copy of the charter and application, including a description of
13 how the school district plans to fund the school, to the state board of
14 education before the start of the first fiscal year of operation of the
15 charter school. The charter or application shall include an estimate of the
16 student count for the charter school for its first fiscal year of operation.
17 This estimate shall be computed pursuant to the requirements of paragraph 3
18 of this subsection.

19 2. A school district is not financially responsible for any charter
20 school that is sponsored by the state board of education or the state board
21 for charter schools.

22 3. A school district that sponsors a charter school may:

23 (a) Increase its student count as provided in subsection B, paragraph
24 2 of this section during the first year of the charter school's operation to
25 include those charter school pupils who were not previously enrolled in the
26 school district. A charter school sponsored by a school district governing
27 board is eligible for the assistance prescribed in subsection B, paragraph
28 4 of this section. The soft capital allocation as provided in section 15-962
29 for the school district sponsoring the charter school shall be increased by
30 the amount of the additional assistance. The school district shall include
31 the full amount of the additional assistance in the funding provided to the
32 charter school.

33 (b) Compute separate weighted student counts pursuant to section
34 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
35 school pupils in order to maintain eligibility for small school district
36 support level weights authorized in section 15-943, paragraph 1 for its
37 noncharter school pupils only. The portion of a district's student count
38 that is attributable to charter school pupils is not eligible for small
39 school district support level weights.

40 4. If a school district uses the provisions of paragraph 3 of this
41 subsection, the school district is not eligible to include those pupils in
42 its student count for the purposes of computing an increase in its revenue
43 control limit and district support level as provided in section 15-948.

1 5. A school district that sponsors a charter school is not eligible
2 to include the charter school pupils in its student count for the purpose of
3 computing an increase in its capital outlay revenue limit as provided in
4 section 15-961, subsection C, except that if the charter school was
5 previously a school in the district, the district may include in its student
6 count any charter school pupils who were enrolled in the school district in
7 the prior year.

8 6. A school district that sponsors a charter school is not eligible
9 to include the charter school pupils in its student count for the purpose of
10 computing the revenue control limit which is used to determine the maximum
11 budget increase as provided in chapter 4, article 4 of this title unless the
12 charter school is located within the boundaries of the school district.

13 7. If a school district converts one or more of its district public
14 schools to a charter school and receives assistance as prescribed in
15 subsection B, paragraph 4 of this section, and subsequently converts the
16 charter school back to a district public school, the school district shall
17 repay the state the total additional assistance received for the charter
18 school for all years that the charter school was in operation. The repayment
19 shall be in one lump sum and shall be reduced from the school district's
20 current year equalization assistance. The school district's general budget
21 limit shall be reduced by the same lump sum amount in the current year.

22 B. Financial provisions for a charter school that is sponsored by the
23 state board of education or the state board for charter schools are as
24 follows:

25 1. The charter school shall calculate a base support level as
26 prescribed in section 15-943, except that sections 15-941 and 15-942 do not
27 apply to these charter schools.

28 2. Notwithstanding paragraph 1 of this subsection, the student count
29 shall be determined initially using an estimated student count based on
30 actual registration of pupils before the beginning of the school year. After
31 the first one hundred days or two hundred days in session, as applicable, the
32 charter school shall revise the student count to be equal to the actual
33 average daily membership, as defined in section 15-901, or the adjusted
34 average daily membership, as prescribed in section 15-902, of the charter
35 school. Before the one hundredth day or two hundredth day in session, as
36 applicable, the state board of education or the state board for charter
37 schools may require a charter school to report periodically regarding pupil
38 enrollment and attendance and the department of education may revise its
39 computation of equalization assistance based on the report. A charter school
40 shall revise its student count, base support level and additional assistance
41 before May 15. A charter school that overestimated its student count shall
42 revise its budget before May 15. A charter school that underestimated its
43 student count may revise its budget before May 15.

1 3. A charter school may utilize section 15-855 for the purposes of
2 this section. The charter school and the department of education shall
3 prescribe procedures for determining average daily attendance and average
4 daily membership.

5 4. Equalization assistance for the charter school shall be determined
6 by adding the amount of the base support level and additional
7 assistance. The amount of the additional assistance is ~~one thousand two~~
8 ~~hundred seventy-eight dollars forty cents~~ ONE THOUSAND THREE HUNDRED THREE
9 DOLLARS NINETY-SEVEN CENTS per student count in kindergarten programs and
10 grades one through eight and ~~one thousand four hundred eighty-nine dollars~~
11 ~~ninety-five cents~~ ONE THOUSAND FIVE HUNDRED NINETEEN DOLLARS SEVENTY-FIVE
12 CENTS per student count in grades nine through twelve.

13 5. The state board of education shall apportion state aid from the
14 appropriations made for such purposes to the state treasurer for disbursement
15 to the charter schools in each county in an amount as determined by this
16 paragraph. The apportionments shall be made in twelve equal installments of
17 the total amount to be apportioned during the fiscal year on the fifteenth
18 day of each month of the fiscal year.

19 6. Notwithstanding paragraph 5 of this subsection, if sufficient
20 appropriated monies are available after the first forty days in session of
21 the current year, a charter school may request additional state monies to
22 fund the increased state aid due to anticipated student growth through the
23 first one hundred days or two hundred days in session, as applicable, of the
24 current year as provided in section 15-948. In no event shall a charter
25 school have received more than three-fourths of its total apportionment
26 before April 15 of the fiscal year. Early payments pursuant to this
27 subsection must be approved by the state treasurer, the director of the
28 department of administration and the superintendent of public instruction.

29 7. The charter school shall not charge tuition, levy taxes or issue
30 bonds.

31 8. Not later than noon on the day preceding each apportionment date
32 established by paragraph 5 of this subsection, the superintendent of public
33 instruction shall furnish to the state treasurer an abstract of the
34 apportionment and shall certify the apportionment to the department of
35 administration, which shall draw its warrant in favor of the charter schools
36 for the amount apportioned.

37 C. If a pupil is enrolled in both a charter school and a public school
38 that is not a charter school, the sum of the daily membership, which includes
39 enrollment as prescribed in section 15-901, subsection A, paragraph 2,
40 subdivisions (a) and (b) and daily attendance as prescribed in section
41 15-901, subsection A, paragraph 6, for that pupil in the school district and
42 the charter school shall not exceed 1.0. If a pupil is enrolled in both a
43 charter school and a public school that is not a charter school, the
44 department of education shall direct the average daily membership to the
45 school with the most recent enrollment date. Upon validation of actual

1 enrollment in both a charter school and a public school that is not a charter
2 school and the sum of the daily membership or daily attendance for that pupil
3 is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned
4 between the public school and the charter school based on the percentage of
5 total time that the pupil is enrolled or in attendance in the public school
6 and the charter school. The uniform system of financial records shall
7 include guidelines for the apportionment of the pupil enrollment and
8 attendance as provided in this section.

9 D. Charter schools are allowed to accept grants and gifts to
10 supplement their state funding, but it is not the intent of the charter
11 school law to require taxpayers to pay twice to educate the same pupils. The
12 base support level for a charter school or for a school district sponsoring
13 a charter school shall be reduced by an amount equal to the total amount of
14 monies received by a charter school from a federal or state agency if the
15 federal or state monies are intended for the basic maintenance and operations
16 of the school. The superintendent of public instruction shall estimate the
17 amount of the reduction for the budget year and shall revise the reduction
18 to reflect the actual amount before May 15 of the current year. If the
19 reduction results in a negative amount, the negative amount shall be used in
20 computing all budget limits and equalization assistance, except that:

21 1. Equalization assistance shall not be less than zero.

22 2. For a charter school sponsored by the state board of education or
23 the state board for charter schools, the total of the base support level, the
24 capital outlay revenue limit, the soft capital allocation and the additional
25 assistance shall not be less than zero.

26 3. For a charter school sponsored by a school district, the base
27 support level for the school district shall not be reduced by more than the
28 amount that the charter school increased the district's base support level,
29 capital outlay revenue limit and soft capital allocation.

30 E. If a charter school was a district public school in the prior year
31 and is now being operated for or by the same school district and sponsored
32 by the state board of education, the state board for charter schools or a
33 school district governing board, the reduction in subsection D of this
34 section applies. The reduction to the base support level of the charter
35 school or the sponsoring district of the charter school shall equal the sum
36 of the base support level and the additional assistance received in the
37 current year for those pupils who were enrolled in the traditional public
38 school in the prior year and are now enrolled in the charter school in the
39 current year.

40 F. Equalization assistance for charter schools shall be provided as
41 a single amount based on average daily membership without categorical
42 distinctions between maintenance and operations or capital.

1 G. At the request of a charter school, the county school
2 superintendent of the county where the charter school is located may provide
3 the same educational services to the charter school as prescribed in section
4 15-308, subsection A. The county school superintendent may charge a fee to
5 recover costs for providing educational services to charter schools.

6 H. If the sponsor of the charter school determines at a public meeting
7 that the charter school is not in compliance with federal law, with the laws
8 of this state, or with its charter, the sponsor of a charter school may
9 submit a request to the state board of education to withhold up to ten per
10 cent of the monthly apportionment of state aid that would otherwise be due
11 the charter school. The state board of education shall adjust the charter
12 school's apportionment accordingly. The sponsor shall provide written notice
13 to the charter school at least seventy-two hours before the meeting and shall
14 allow the charter school to respond to the allegations of noncompliance at
15 the meeting before the sponsor makes a final determination to notify the
16 state board of education of noncompliance. The charter school shall submit
17 a corrective action plan to the sponsor on a date specified by the sponsor
18 at the meeting. The corrective action plan shall be designed to correct
19 deficiencies at the charter school and to ensure that the charter school
20 promptly returns to compliance. When the sponsor determines that the charter
21 school is in compliance, the state board of education shall restore the full
22 amount of state aid payments to the charter school.

23 I. A charter school may receive and spend monies distributed by the
24 department of education pursuant to section 42-5029, subsection E and section
25 37-521, subsection B.

26 J. For the purposes of this section:

27 1. "Monies intended for the basic maintenance and operations of the
28 school" means monies intended to provide support for the educational program
29 of the school, except that it does not include supplemental assistance for
30 a specific purpose or P.L. 81-874 monies. The auditor general shall
31 determine which federal or state monies meet the definition in this
32 paragraph.

33 2. "Operated for or by the same school district" means the charter
34 school is either governed by the same district governing board or operated
35 by the district in the same manner as other traditional schools in the
36 district or is operated by an independent party that has a contract with the
37 school district. The auditor general and the department of education shall
38 determine which charter schools meet the definition in this subsection.

39 Sec. 2. Section 15-901, Arizona Revised Statutes, is amended to read:

40 15-901. Definitions

41 A. In this title, unless the context otherwise requires:

42 1. "Average daily attendance" or "ADA" means actual average daily
43 attendance through the first one hundred days or two hundred days in session,
44 as applicable.

1 2. "Average daily membership" means the total enrollment of fractional
2 students and full-time students, minus withdrawals, of each school day
3 through the first one hundred days or two hundred days in session, as
4 applicable, for the current year. Withdrawals include students formally
5 withdrawn from schools and students absent for ten consecutive school days,
6 except for excused absences as identified by the department of
7 education. For computation purposes, the effective date of withdrawal shall
8 be retroactive to the last day of actual attendance of the student.

9 (a) "Fractional student" means:

10 (i) For common schools, until fiscal year 2001-2002, a preschool child
11 who is enrolled in a program for preschool children with disabilities of at
12 least three hundred sixty minutes each week or a kindergarten student at
13 least five years of age prior to January 1 of the school year and enrolled
14 in a school kindergarten program that meets at least three hundred forty-six
15 instructional hours during the minimum number of days required in a school
16 year as provided in section 15-341. In fiscal year 2001-2002, the
17 kindergarten program shall meet at least three hundred forty-eight hours. In
18 fiscal year 2002-2003, the kindergarten program shall meet at least three
19 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program
20 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,
21 the kindergarten program shall meet at least three hundred fifty-four
22 hours. In fiscal year 2005-2006 and each fiscal year thereafter, the
23 kindergarten program shall meet at least three hundred fifty-six
24 hours. Lunch periods and recess periods may not be included as part of the
25 instructional hours unless the child's individualized education program
26 requires instruction during those periods and the specific reasons for such
27 instruction are fully documented. In computing the average daily membership,
28 preschool children with disabilities and kindergarten students shall be
29 counted as one-half of a full-time student. For common schools, a part-time
30 student is a student enrolled for less than the total time for a full-time
31 student as defined in this section. A part-time common school student shall
32 be counted as one-fourth, one-half or three-fourths of a full-time student
33 if the student is enrolled in an instructional program that is at least
34 one-fourth, one-half or three-fourths of the time a full-time student is
35 enrolled as defined in subdivision (b) of this paragraph.

36 (ii) For high schools, a part-time student who is enrolled in less
37 than four subjects that count toward graduation as defined by the state board
38 of education in a recognized high school and who is taught in less than
39 twenty instructional hours per week prorated for any week with fewer than
40 five school days. A part-time high school student shall be counted as
41 one-fourth, one-half or three-fourths of a full-time student if the student
42 is enrolled in an instructional program that is at least one-fourth, one-half
43 or three-fourths of a full-time instructional program as defined in
44 subdivision (c) of this paragraph.

1 (b) "Full-time student" means:

2 (i) For common schools, a student who is at least six years of age
3 prior to January 1 of a school year, who has not graduated from the highest
4 grade taught in the school district and who is regularly enrolled in a course
5 of study required by the state board of education. Until fiscal year
6 2001-2002, first, second and third grade students, ungraded students at least
7 six, but under nine, years of age by September 1 or ungraded group 8 children
8 with disabilities who are at least five, but under six, years of age by
9 September 1 must be enrolled in an instructional program that meets for a
10 total of at least six hundred ninety-two hours during the minimum number of
11 days required in a school year as provided in section 15-341. In fiscal year
12 2001-2002, the program shall meet at least six hundred ninety-six hours. In
13 fiscal year 2002-2003, the program shall meet at least seven hundred hours.
14 In fiscal year 2003-2004, the program shall meet at least seven hundred four
15 hours. In fiscal year 2004-2005, the program shall meet at least seven
16 hundred eight hours. In fiscal year 2005-2006 and in each fiscal year
17 thereafter, the program shall meet at least seven hundred twelve
18 hours. Until fiscal year 2001-2002, fourth, fifth and sixth grade students
19 or ungraded students at least nine, but under twelve, years of age by
20 September 1 must be enrolled in an instructional program that meets for a
21 total of at least eight hundred sixty-five hours during the minimum number
22 of school days required in a school year as provided in section 15-341. In
23 fiscal year 2001-2002, the program shall meet at least eight hundred seventy
24 hours. In fiscal year 2002-2003, the program shall meet at least eight
25 hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet
26 at least eight hundred eighty hours. In fiscal year 2004-2005, the program
27 shall meet at least eight hundred eighty-five hours. In fiscal year
28 2005-2006 and each fiscal year thereafter, the program shall meet at least
29 eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth
30 grade students or ungraded students at least twelve, but under fourteen,
31 years of age by September 1 must be enrolled in an instructional program that
32 meets for a total of at least one thousand thirty-eight hours during the
33 minimum number of days required in a school year as provided in section
34 15-341. In fiscal year 2001-2002, the program shall meet at least one
35 thousand forty-four hours. In fiscal year 2002-2003, the program shall meet
36 at least one thousand fifty hours. In fiscal year 2003-2004, the program
37 shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005,
38 the program shall meet at least one thousand sixty-two hours. In fiscal year
39 2005-2006 and each fiscal year thereafter, the program shall meet at least
40 one thousand sixty-eight hours. Lunch periods and recess periods may not be
41 included as part of the instructional hours unless the student is a child
42 with a disability and the child's individualized education program requires
43 instruction during those periods and the specific reasons for such
44 instruction are fully documented.

(ii) For high schools, a student not graduated from the highest grade taught in the school district, or an ungraded student at least fourteen years of age by September 1, and enrolled in at least a full-time instructional program of subjects that count toward graduation as defined by the state board of education in a recognized high school. A full-time student shall not be counted more than once for computation of average daily membership.

(iii) For homebound or hospitalized, a student receiving at least four hours of instruction per week.

(c) "Full-time instructional program" means:

(i) Through fiscal year 2000-2001, at least four subjects, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(ii) For fiscal year 2001-2002, an instructional program that meets at least a total of seven hundred four hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iii) For fiscal year 2002-2003, an instructional program that meets at least a total of seven hundred eight hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iv) For fiscal year 2003-2004, an instructional program that meets at least a total of seven hundred twelve hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(v) For fiscal year 2004-2005, an instructional program that meets at least a total of seven hundred sixteen hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at

1 least twenty hours per week prorated for any week with fewer than five school
2 days.

3 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an
4 instructional program that meets at least a total of seven hundred twenty
5 hours during the minimum number of days required and includes at least four
6 subjects each of which, if taught each school day for the minimum number of
7 days required in a school year, would meet a minimum of one hundred
8 twenty-three hours a year, or the equivalent, or one or more subjects taught
9 in amounts of time totaling at least twenty hours per week prorated for any
10 week with fewer than five school days.

11 3. "Budget year" means the fiscal year for which the school district
12 is budgeting and which immediately follows the current year.

13 4. "Common school district" means a political subdivision of this
14 state offering instruction to students in programs for preschool children
15 with disabilities and kindergarten programs and grades one through eight.

16 5. "Current year" means the fiscal year in which a school district is
17 operating.

18 6. "Daily attendance" means:

19 (a) For common schools, days in which a pupil:

20 (i) Of a kindergarten program or ungraded, but not group B children
21 with disabilities, and at least five, but under six, years of age by
22 September 1 attends at least three-quarters of the instructional time
23 scheduled for the day. If the total instruction time scheduled for the year
24 is at least three hundred forty-six hours but is less than six hundred
25 ninety-two hours such attendance shall be counted as one-half day of
26 attendance. If the instructional time scheduled for the year is at least six
27 hundred ninety-two hours, "daily attendance" means days in which a pupil
28 attends at least one-half of the instructional time scheduled for the day.
29 Such attendance shall be counted as one-half day of attendance.

30 (ii) Of the first, second or third grades, ungraded and at least six,
31 but under nine, years of age by September 1 or ungraded group B children with
32 disabilities and at least five, but under six, years of age by September 1
33 attends more than three-quarters of the instructional time scheduled for the
34 day.

35 (iii) Of the fourth, fifth or sixth grades or ungraded and at least
36 nine, but under twelve, years of age by September 1 attends more than
37 three-quarters of the instructional time scheduled for the day, except as
38 provided in section 15-797.

39 (iv) Of the seventh or eighth grades or ungraded and at least twelve,
40 but under fourteen, years of age by September 1 attends more than
41 three-quarters of the instructional time scheduled for the day, except as
42 provided in section 15-797.

1 (b) For common schools, the attendance of a pupil at three-quarters
2 or less of the instructional time scheduled for the day shall be counted as
3 follows, except as provided in section 15-797 and except that attendance for
4 a fractional student shall not exceed the pupil's fractional membership:

5 (i) If attendance for all pupils in the school is based on quarter
6 days, the attendance of a pupil shall be counted as one-fourth of a day's
7 attendance for each one-fourth of full-time instructional time attended.

8 (ii) If attendance for all pupils in the school is based on half days,
9 the attendance of at least three-quarters of the instructional time scheduled
10 for the day shall be counted as a full day's attendance and attendance at a
11 minimum of one-half but less than three-quarters of the instructional time
12 scheduled for the day equals one-half day of attendance.

13 (c) For common schools, the attendance of a preschool child with
14 disabilities shall be counted as one-fourth day's attendance for each
15 thirty-six minutes of attendance not including lunch periods and recess
16 periods, except as provided in paragraph 2, subdivision (a), item (i) of this
17 subsection for children with disabilities up to a maximum of three hundred
18 sixty minutes each week.

19 (d) For high schools or ungraded schools in which the pupil is at
20 least fourteen years of age by September 1, the attendance of a pupil shall
21 not be counted as a full day unless the pupil is actually and physically in
22 attendance and enrolled in and carrying four subjects, each of which, if
23 taught each school day for the minimum number of days required in a school
24 year, would meet a minimum of one hundred twenty hours a year, or the
25 equivalent, that count toward graduation in a recognized high school except
26 as provided in section 15-797 and subdivision (e) of this paragraph.
27 Attendance of a pupil carrying less than the load prescribed shall be
28 prorated.

29 (e) For high schools or ungraded schools in which the pupil is at
30 least fourteen years of age by September 1, the attendance of a pupil may be
31 counted as one-fourth of a day's attendance for each sixty minutes of
32 instructional time in a subject that counts toward graduation, except that
33 attendance for a pupil shall not exceed the pupil's full or fractional
34 membership.

35 (f) For homebound or hospitalized, a full day of attendance may be
36 counted for each day during a week in which the student receives at least
37 four hours of instruction.

38 (g) For school districts which maintain school for an approved
39 year-round school year operation, attendance shall be based on a computation,
40 as prescribed by the superintendent of public instruction, of the one hundred
41 eighty days' equivalency or two hundred days' equivalency, as applicable, of
42 instructional time as approved by the superintendent of public instruction
43 during which each pupil is enrolled.

1 7. "Daily route mileage" means the sum of:

2 (a) The total number of miles driven daily by all buses of a school
3 district while transporting eligible students from their residence to the
4 school of attendance and from the school of attendance to their residence on
5 scheduled routes approved by the superintendent of public instruction.

6 (b) The total number of miles driven daily on routes approved by the
7 superintendent of public instruction for which a private party, a political
8 subdivision or a common or a contract carrier is reimbursed for bringing an
9 eligible student from the place of his residence to a school transportation
10 pickup point or to the school of attendance and from the school
11 transportation scheduled return point or from the school of attendance to his
12 residence.

13 Daily route mileage includes the total number of miles necessary to drive to
14 transport eligible students from and to their residence as provided in this
15 paragraph.

16 8. "District support level" means the base support level plus the
17 transportation support level.

18 9. "Eligible students" means:

19 (a) Students who are transported by or for a school district and who
20 qualify as full-time students or fractional students, except students for
21 whom transportation is paid by another school district or a county school
22 superintendent, and:

23 (i) For common school students, whose place of actual residence within
24 the school district is more than one mile from the school facility of
25 attendance or students who are admitted pursuant to section 15-816.01 and who
26 meet the economic eligibility requirements established under the national
27 school lunch and child nutrition acts (42 United States Code sections 1751
28 through 1785) for free or reduced price lunches and whose actual place of
29 residence outside the school district boundaries is more than one mile from
30 the school facility of attendance.

31 (ii) For high school students, whose place of actual residence within
32 the school district is more than one and one-half miles from the school
33 facility of attendance or students who are admitted pursuant to section
34 15-816.01 and who meet the economic eligibility requirements established
35 under the national school lunch and child nutrition acts (42 United States
36 Code sections 1751 through 1785) for free or reduced price lunches and whose
37 actual place of residence outside the school district boundaries is more than
38 one and one-half miles from the school facility of attendance.

39 (b) Kindergarten students, for purposes of computing the number of
40 eligible students under subdivision (a), item (i) of this paragraph, shall
41 be counted as full-time students, notwithstanding any other provision of law.

42 (c) Children with disabilities, as defined by section 15-761, who are
43 transported by or for the school district or who are admitted pursuant to
44 chapter 8, article 1.1 of this title and who qualify as full-time students
45 or fractional students regardless of location or residence within the school

1 district or children with disabilities whose transportation is required by
2 the pupil's individualized education program.

3 (d) Students whose residence is outside the school district and who
4 are transported within the school district on the same basis as students who
5 reside in the school district.

6 10. "Enrolled" or "enrollment" means when a pupil is currently
7 registered in the school district.

8 11. "GDP price deflator" means the average of the four implicit price
9 deflators for the gross domestic product reported by the United States
10 department of commerce for the four quarters of the calendar year.

11 12. "High school district" means a political subdivision of this state
12 offering instruction to students for grades nine through twelve or that
13 portion of the budget of a common school district which is allocated to
14 teaching high school subjects with permission of the state board of
15 education.

16 13. "Revenue control limit" means the base revenue control limit plus
17 the transportation revenue control limit.

18 14. "Student count" means average daily membership as prescribed in
19 this subsection for the fiscal year prior to the current year, except that
20 for the purpose of budget preparation student count means average daily
21 membership as prescribed in this subsection for the current year.

22 15. "Submit electronically" means submitted in a format and in a manner
23 prescribed by the department of education.

24 16. "Total bus mileage" means the total number of miles driven by all
25 buses of a school district during the school year.

26 17. "Total students transported" means all eligible students
27 transported from their place of residence to a school transportation pickup
28 point or to the school of attendance and from the school of attendance or
29 from the school transportation scheduled return point to their place of
30 residence.

31 18. "Unified school district" means a political subdivision of the
32 state offering instruction to students in programs for preschool children
33 with disabilities and kindergarten programs and grades one through twelve.

34 B. In this title, unless the context otherwise requires:

35 1. "Base" means the revenue level per student count specified by the
36 legislature.

37 2. "Base level" means:

38 ~~(a) For fiscal year 1999-2000, two thousand five hundred fifty-nine~~
39 ~~dollars ninety-three cents.~~

40 ~~(b) For fiscal year 2000-2001, two thousand five hundred eighty-five~~
41 ~~dollars sixty cents.~~

42 ~~(c) For fiscal year 2001-2002, two thousand six hundred eighty-seven~~
43 ~~dollars thirty-two cents.~~

44 ~~(d) For fiscal year 2002-2003, two thousand seven hundred fifty-three~~
45 ~~dollars ninety cents.~~

1 (e) (a) For fiscal year 2003-2004, two thousand eight hundred
2 twenty-two dollars seventy-four cents.

3 (b) FOR FISCAL YEAR 2004-2005, TWO THOUSAND EIGHT HUNDRED NINETY-THREE
4 DOLLARS EIGHTEEN CENTS.

5 3. "Base revenue control limit" means the base revenue control limit
6 computed as provided in section 15-944.

7 4. "Base support level" means the base support level as provided in
8 section 15-943.

9 5. "Certified teacher" means a person who is certified as a teacher
10 pursuant to the rules adopted by the state board of education, who renders
11 direct and personal services to school children in the form of instruction
12 related to the school district's educational course of study and who is paid
13 from the maintenance and operation section of the budget.

14 6. "ED, MIMR, SLD, SLI and OHI" means programs for children with
15 emotional disabilities, mild mental retardation, a specific learning
16 disability, a speech/language impairment and other health impairments.

17 7. "ED-P" means programs for children with emotional disabilities who
18 are enrolled in private special education programs as prescribed in section
19 15-765, subsection D, paragraph 1 or in an intensive school district program
20 as provided in section 15-765, subsection D, paragraph 2.

21 8. "ELL" means English learners who do not speak English or whose
22 native language is not English, who are not currently able to perform
23 ordinary classroom work in English and who are enrolled in an English
24 language education program pursuant to sections 15-751, 15-752 and 15-753.

25 9. "Full-time equivalent certified teacher" or "FTE certified teacher"
26 means for a certified teacher the following:

27 (a) If employed full time as defined in section 15-501, 1.00.

28 (b) If employed less than full time, multiply 1.00 by the percentage
29 of a full school day, or its equivalent, or a full class load, or its
30 equivalent, for which the teacher is employed as determined by the governing
31 board.

32 10. "Group A" means educational programs for career exploration, a
33 specific learning disability, an emotional disability, mild mental
34 retardation, remedial education, a speech/language impairment, homebound,
35 bilingual, preschool moderate delay, preschool speech/language delay, other
36 health impairments and gifted pupils.

37 11. "Group B" means educational improvements for pupils in kindergarten
38 programs and grades one through three, educational programs for autism, a
39 hearing impairment, moderate mental retardation, multiple disabilities,
40 multiple disabilities with severe sensory impairment, orthopedic impairments,
41 preschool severe delay, severe mental retardation and emotional disabilities
42 for school age pupils enrolled in private special education programs or in
43 school district programs for children with severe disabilities or visual
44 impairment and English learners enrolled in a program to promote English
45 language proficiency pursuant to section 15-752.

1 12. "HI" means programs for pupils with hearing impairment.

2 13. "Homebound" or "hospitalized" means a pupil who is capable of
3 profiting from academic instruction but is unable to attend school due to
4 illness, disease, accident or other health conditions, who has been examined
5 by a competent medical doctor and who is certified by that doctor as being
6 unable to attend regular classes for a period of not less than three school
7 months or a pupil who is capable of profiting from academic instruction but
8 is unable to attend school regularly due to chronic or acute health problems,
9 who has been examined by a competent medical doctor and who is certified by
10 that doctor as being unable to attend regular classes for intermittent
11 periods of time totaling three school months during a school year. The
12 medical certification shall state the general medical condition, such as
13 illness, disease or chronic health condition, that is the reason that the
14 pupil is unable to attend school. Homebound or hospitalized includes a
15 student who is unable to attend school for a period of less than three months
16 due to a pregnancy if a competent medical doctor, after an examination,
17 certifies that the student is unable to attend regular classes due to risk
18 to the pregnancy or to the student's health.

19 14. "K-3" means kindergarten programs and grades one through three.

20 15. "MD-R, A-R and SMR-R" means resource programs for pupils with
21 multiple disabilities, autism and severe mental retardation.

22 16. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils
23 with multiple disabilities, autism and severe mental retardation.

24 17. "MDSSI" means a program for pupils with multiple disabilities with
25 severe sensory impairment.

26 18. "MOMR" means programs for pupils with moderate mental retardation.

27 19. "OI-R" means a resource program for pupils with orthopedic
28 impairments.

29 20. "OI-SC" means a self-contained program for pupils with orthopedic
30 impairments.

31 21. "PSD" means preschool programs for children with disabilities as
32 provided in section 15-771.

33 22. "P-SD" means programs for children who meet the definition of
34 preschool severe delay as provided in section 15-771.

35 23. "Qualifying tax rate" means the qualifying tax rate specified in
36 section 15-971 applied to the assessed valuation used for primary property
37 taxes.

38 24. "Small isolated school district" means a school district which
39 meets all of the following:

40 (a) Has a student count of fewer than six hundred in kindergarten
41 programs and grades one through eight or grades nine through twelve.

42 (b) Contains no school which is fewer than thirty miles by the most
43 reasonable route from another school, or, if road conditions and terrain make
44 the driving slow or hazardous, fifteen miles from another school which

1 teaches one or more of the same grades and is operated by another school
2 district in this state.

3 (c) Is designated as a small isolated school district by the
4 superintendent of public instruction.

5 25. "Small school district" means a school district which meets all of
6 the following:

7 (a) Has a student count of fewer than six hundred in kindergarten
8 programs and grades one through eight or grades nine through twelve.

9 (b) Contains at least one school which is fewer than thirty miles by
10 the most reasonable route from another school which teaches one or more of
11 the same grades and is operated by another school district in this state.

12 (c) Is designated as a small school district by the superintendent of
13 public instruction.

14 26. "Transportation revenue control limit" means the transportation
15 revenue control limit computed as prescribed in section 15-946.

16 27. "Transportation support level" means the support level for pupil
17 transportation operating expenses as provided in section 15-945.

18 28. "VI" means programs for pupils with visual impairments.

19 29. "Voc. Ed." means career and technical education and vocational
20 education programs, as defined in section 15-781.

21 Sec. 3. Title 15, chapter 9, article 1, Arizona Revised Statutes, is
22 amended by adding section 15-901.02, to read:

23 15-901.02. Full-day kindergarten instruction; full-day
24 kindergarten fund

25 A. A SCHOOL OR CHARTER SCHOOL THAT IS PROVIDED AND ACCEPTS MONIES
26 PURSUANT TO THIS SECTION FOR FULL-DAY KINDERGARTEN SHALL OFFER FULL-DAY
27 KINDERGARTEN INSTRUCTION TO ALL PUPILS WHO MEET THE ENROLLMENT REQUIREMENTS
28 FOR KINDERGARTEN PROGRAMS. PARENTS OF PUPILS WHO MEET THE ENROLLMENT
29 REQUIREMENTS FOR VOLUNTARY KINDERGARTEN PROGRAMS IN A SCHOOL OR CHARTER
30 SCHOOL THAT IS REQUIRED TO PROVIDE FULL-DAY KINDERGARTEN INSTRUCTION SHALL
31 CHOOSE EITHER HALF-DAY KINDERGARTEN INSTRUCTION OR FULL-DAY KINDERGARTEN
32 INSTRUCTION.

33 B. THE LEGISLATURE SHALL DEVELOP A PLAN, INCLUDING CAPITAL MONIES,
34 CONSIDERING RECOMMENDATIONS OF THE JOINT LEGISLATIVE STUDY COMMITTEE ON
35 FULL-DAY KINDERGARTEN ESTABLISHED IN SUBSECTION D OF THIS SECTION, TO PROVIDE
36 STATEWIDE FULL-DAY KINDERGARTEN INSTRUCTION BY FISCAL YEAR 2009-2010. SCHOOLS
37 AND CHARTER SCHOOLS THAT ARE PROVIDED FULL-DAY KINDERGARTEN FUNDING PURSUANT
38 TO THIS SUBSECTION AND SUBSECTION C OF THIS SECTION SHALL CONTINUOUSLY BE
39 PROVIDED FULL-DAY KINDERGARTEN FUNDING THROUGHOUT THE STATEWIDE
40 IMPLEMENTATION OF THE FULL-DAY KINDERGARTEN PLAN ADOPTED BY THE LEGISLATURE.

41 C. FUNDING FOR FULL-DAY KINDERGARTEN SHALL BE PROVIDED FOR FISCAL YEAR
42 2004-2005 TO SCHOOLS OR CHARTER SCHOOLS WITH A STUDENT COUNT IN WHICH AT
43 LEAST NINETY PER CENT OF THE PUPILS MEET THE ECONOMIC ELIGIBILITY
44 REQUIREMENTS ESTABLISHED UNDER THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION
45 ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH 1785), THE SCHOOL DISTRICT

1 OR CHARTER SCHOOL SHALL RECEIVE MONIES FOR FULL-DAY KINDERGARTEN PURSUANT TO
2 THIS SECTION FOR EACH PUPIL WHO ATTENDS KINDERGARTEN INSTRUCTION.

3 D. THE JOINT LEGISLATIVE STUDY COMMITTEE ON FULL-DAY KINDERGARTEN IS
4 ESTABLISHED AND SHALL CONSIST OF THREE MEMBERS OF THE HOUSE OF
5 REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, NO
6 MORE THAN TWO SHALL BE FROM THE SAME POLITICAL PARTY, THREE MEMBERS OF THE
7 SENATE APPOINTED BY THE PRESIDENT OF THE SENATE, NO MORE THAN TWO SHALL BE
8 FROM THE SAME POLITICAL PARTY AND THREE MEMBERS APPOINTED BY THE GOVERNOR WHO
9 REPRESENT SCHOOL DISTRICTS OR CHARTER SCHOOLS THAT OFFER KINDERGARTEN
10 PROGRAMS. THE JOINT LEGISLATIVE STUDY COMMITTEE SHALL FORWARD PRELIMINARY
11 RECOMMENDATIONS BY DECEMBER 1, 2004 TO THE SPEAKER OF THE HOUSE OF
12 REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE GOVERNOR FOR FULL-DAY
13 KINDERGARTEN IMPLEMENTATION. THE JOINT LEGISLATIVE STUDY COMMITTEE SHALL
14 CONSIDER FUNDING FOR EACH YEAR OF IMPLEMENTATION, CAPITAL ACCOMMODATIONS AND
15 PROGRAM IMPLEMENTATION ISSUES SUCH AS PROFESSIONAL DEVELOPMENT AND DIAGNOSTIC
16 ASSESSMENT.

17 E. THE FULL-DAY KINDERGARTEN FUND IS ESTABLISHED CONSISTING OF MONIES
18 APPROPRIATED TO THE DEPARTMENT OF EDUCATION FOR THIS PURPOSE. THE DEPARTMENT
19 OF EDUCATION SHALL ADMINISTER THE FUND. IF THERE ARE INSUFFICIENT MONIES
20 AVAILABLE IN THE FUND TO PROVIDE FULL FUNDING PURSUANT TO THIS SECTION, THE
21 DEPARTMENT OF EDUCATION SHALL PRORATE THE AMOUNT PER PUPIL DISTRIBUTED TO
22 EACH SCHOOL DISTRICT AND CHARTER SCHOOL THAT IS ELIGIBLE TO RECEIVE MONIES
23 FROM THE FUND. THE AMOUNT BUDGETED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL
24 PURSUANT TO THIS SECTION SHALL NOT BE INCLUDED IN THE ALLOWABLE BUDGET
25 BALANCE CARRYFORWARD CALCULATED PURSUANT TO SECTION 15-943.01. THE FULL-DAY
26 KINDERGARTEN FUND TERMINATES ON JULY 1, 2009, AND ANY UNENCUMBERED MONIES
27 REMAINING IN THE FUND ON THAT DATE SHALL BE TRANSFERRED TO THE STATE GENERAL
28 FUND.

29 F. MONIES IN THE FULL-DAY KINDERGARTEN FUND ARE CONTINUOUSLY
30 APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
31 TO LAPSING OF APPROPRIATIONS, AND THE ALLOCATION TO EACH CHARTER SCHOOL AND
32 SCHOOL DISTRICT FOR A FISCAL YEAR SHALL EQUAL THE PER PUPIL AMOUNT
33 ESTABLISHED IN THIS SECTION FOR THE FISCAL YEAR MULTIPLIED BY THE WEIGHTED
34 STUDENT COUNT FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL FOR THE FISCAL YEAR
35 PURSUANT TO SECTION 15-943, PARAGRAPH 2, SUBDIVISION (a). FOR THE PURPOSES
36 OF THIS SUBSECTION, THE WEIGHTED STUDENT COUNT FOR A SCHOOL DISTRICT THAT
37 SERVES AS THE DISTRICT OF ATTENDANCE FOR NONRESIDENT PUPILS SHALL BE
38 INCREASED TO INCLUDE NONRESIDENT PUPILS WHO ATTEND SCHOOL IN THE SCHOOL
39 DISTRICT.

40 G. MONIES DISTRIBUTED FROM THE FULL-DAY KINDERGARTEN FUND SHALL BE
41 SPENT ONLY FOR FULL-DAY KINDERGARTEN INSTRUCTION.

42 H. SCHOOL DISTRICTS AND CHARTER SCHOOLS THAT RECEIVE MONIES FROM THE
43 FULL-DAY KINDERGARTEN FUND SHALL SUBMIT A REPORT TO THE SUPERINTENDENT OF
44 PUBLIC INSTRUCTION ON A PER SCHOOL BASIS THAT PROVIDES AN ACCOUNTING OF THE
45 EXPENDITURES OF MONIES DISTRIBUTED FROM THE FUND DURING THE SCHOOL YEAR, A

1 DESCRIPTION OF ANY PROFESSIONAL DEVELOPMENT REQUIRED UNDER THIS SECTION,
2 CLASS SIZE AND ANY DISTRICT CLASS SIZE POLICIES, DATA COLLECTED FROM STATE
3 OR DISTRICT ASSESSMENTS OF KINDERGARTEN PUPILS IN BOTH FULL-DAY AND HALF-DAY
4 PROGRAMS, THE NUMBER OF PUPILS, THE NUMBER OF PUPILS NOT SERVED AND THE
5 REASONS THOSE PUPILS WERE NOT SERVED AND OTHER INFORMATION DETERMINED BY THE
6 DEPARTMENT OF EDUCATION AND THE OFFICE OF THE AUDITOR GENERAL. THE
7 DEPARTMENT OF EDUCATION IN CONJUNCTION WITH THE AUDITOR GENERAL SHALL
8 PRESCRIBE THE FORMAT AND DUE DATE OF THE REPORT REQUIRED UNDER THIS
9 SUBSECTION.

10 I. SCHOOL DISTRICTS AND CHARTER SCHOOLS THAT RECEIVE MONIES FROM THE
11 FULL-DAY KINDERGARTEN FUND SHALL RECEIVE THESE MONIES MONTHLY IN AN AMOUNT
12 NOT TO EXCEED ONE-TWELFTH OF THE MONIES ESTIMATED PURSUANT TO SUBSECTION C
13 OF THIS SECTION, EXCEPT THAT IF THERE ARE INSUFFICIENT MONIES IN THE FUND
14 THAT MONTH TO MAKE PAYMENTS, THE DISTRIBUTION FOR THAT MONTH SHALL BE
15 PRORATED FOR EACH SCHOOL DISTRICT OR CHARTER SCHOOL. THE DEPARTMENT OF
16 EDUCATION MAY MAKE AN ADDITIONAL PAYMENT IN THE CURRENT MONTH FOR ANY PRIOR
17 MONTH OR MONTHS IN WHICH SCHOOL DISTRICTS OR CHARTER SCHOOLS RECEIVED A
18 PRORATED PAYMENT IF THERE ARE SUFFICIENT MONIES IN THE FUND THAT MONTH FOR
19 THE ADDITIONAL PAYMENTS. THE STATE IS NOT REQUIRED TO MAKE PAYMENTS TO A
20 SCHOOL DISTRICT OR CHARTER SCHOOL FULL-DAY KINDERGARTEN FUND IF THE MONIES
21 IN THE STATE FULL-DAY KINDERGARTEN FUND ARE INSUFFICIENT TO MEET THE
22 ESTIMATED ALLOCATIONS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS PURSUANT TO
23 SUBSECTION C OF THIS SECTION.

24 J. THE ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND SHALL RECEIVE
25 MONIES FROM THE FULL-DAY KINDERGARTEN FUND IN THE SAME MANNER AS SCHOOL
26 DISTRICTS AND CHARTER SCHOOLS. THE ARIZONA STATE SCHOOLS FOR THE DEAF AND
27 THE BLIND ARE SUBJECT TO THIS SECTION IN THE SAME MANNER AS SCHOOL DISTRICTS
28 AND CHARTER SCHOOLS.

29 K. EACH SCHOOL DISTRICT AND CHARTER SCHOOL SHALL ESTABLISH A LOCAL
30 LEVEL FULL-DAY KINDERGARTEN FUND TO RECEIVE ALLOCATIONS FROM THE STATE LEVEL
31 FULL-DAY KINDERGARTEN FUND. THE LOCAL LEVEL FULL-DAY KINDERGARTEN FUND SHALL
32 BE A BUDGETARY CONTROLLED ACCOUNT. INTEREST CHARGES FOR ANY REGISTERED
33 WARRANTS FOR THE LOCAL LEVEL FULL-DAY KINDERGARTEN FUND SHALL BE A CHARGE
34 AGAINST THE LOCAL LEVEL FULL-DAY KINDERGARTEN FUND. INTEREST EARNED ON
35 MONIES IN THE LOCAL LEVEL FULL-DAY KINDERGARTEN FUND SHALL BE ADDED TO THE
36 LOCAL LEVEL FULL-DAY KINDERGARTEN FUND. THIS STATE SHALL NOT BE REQUIRED TO
37 MAKE PAYMENTS TO A SCHOOL DISTRICT OR CHARTER SCHOOL LOCAL LEVEL FULL-DAY
38 KINDERGARTEN FUND THAT ARE IN ADDITION TO MONIES APPROPRIATED TO THE STATE
39 LEVEL FULL-DAY KINDERGARTEN FUND.

40 L. IF THE STATE BOARD OF EDUCATION, THE DEPARTMENT OF EDUCATION, THE
41 AUDITOR GENERAL OR THE ATTORNEY GENERAL DETERMINES THAT A SCHOOL DISTRICT IS
42 SUBSTANTIALLY AND DELIBERATELY NOT IN COMPLIANCE WITH THIS TITLE, AND IF THE
43 SCHOOL DISTRICT HAS FAILED TO CORRECT THE DEFICIENCY WITHIN NINETY DAYS AFTER
44 RECEIVING NOTICE FROM THE DEPARTMENT OF EDUCATION, THE STATE BOARD OF
45 EDUCATION MAY DIRECT THE SUPERINTENDENT OF PUBLIC INSTRUCTION, PURSUANT TO

1 STATE BOARD OF EDUCATION RULES, TO WITHHOLD THE MONIES THE SCHOOL DISTRICT
2 WOULD OTHERWISE BE ENTITLED TO RECEIVE FROM THE FULL-DAY KINDERGARTEN FUND
3 FROM THE DATE OF THE DETERMINATION OF NONCOMPLIANCE UNTIL THE DEPARTMENT OF
4 EDUCATION DETERMINES THAT THE SCHOOL DISTRICT IS IN COMPLIANCE WITH THIS
5 TITLE.

6 M. IF THE SPONSOR OF THE CHARTER SCHOOL DETERMINES AT A PUBLIC MEETING
7 THAT THE CHARTER SCHOOL IS NOT IN COMPLIANCE WITH FEDERAL LAW, WITH THE LAWS
8 OF THIS STATE OR WITH ITS CHARTER, THE SPONSOR OF A CHARTER SCHOOL SHALL
9 NOTIFY THE DEPARTMENT OF EDUCATION TO WITHHOLD THE MONIES THAT THE CHARTER
10 SCHOOL WOULD OTHERWISE BE ENTITLED TO RECEIVE FROM THE FULL-DAY KINDERGARTEN
11 FUND. THE SPONSOR SHALL PROVIDE WRITTEN NOTICE TO THE CHARTER SCHOOL AT
12 LEAST SEVENTY-TWO HOURS BEFORE THE MEETING AND SHALL ALLOW THE CHARTER SCHOOL
13 TO RESPOND TO THE ALLEGATIONS OF NONCOMPLIANCE AT THE MEETING BEFORE THE
14 SPONSOR MAKES A FINAL DETERMINATION TO NOTIFY THE DEPARTMENT OF EDUCATION OF
15 NONCOMPLIANCE. WHEN THE SPONSOR DETERMINES THAT THE CHARTER SCHOOL IS IN
16 COMPLIANCE, THE DEPARTMENT OF EDUCATION SHALL RESTORE THE AMOUNT OF MONIES
17 THAT THE CHARTER SCHOOL IS ENTITLED TO RECEIVE FROM THE FULL-DAY KINDERGARTEN
18 FUND.

19 N. SCHOOLS ARE NOT REQUIRED TO OFFER FULL-DAY KINDERGARTEN INSTRUCTION
20 TO QUALIFYING STUDENTS IF THERE IS INSUFFICIENT CLASSROOM SPACE. SCHOOLS
21 SHALL NOT ACCEPT MONIES FROM THE FULL-DAY KINDERGARTEN FUND IF SPACE
22 LIMITATIONS RESULT IN CLASS SIZES THAT EXCEED THE AVERAGE CLASS SIZE OF THE
23 DISTRICT OR CHARTER SCHOOL.

24 O. ALL SCHOOLS THAT ACCEPT MONIES FROM THE FULL-DAY KINDERGARTEN FUND
25 SHALL PROVIDE PROFESSIONAL DEVELOPMENT THAT IS DIRECTLY RELATED TO THE
26 DELIVERY OF KINDERGARTEN STANDARDS IN A FULL-DAY PROGRAM. ANY SCHOOL THAT
27 HAS NOT YET UNDERGONE PROFESSIONAL DEVELOPMENT FOR IMPLEMENTATION OF THE
28 DELIVERY OF A RESEARCH-BASED READING CURRICULUM AS PRESCRIBED IN SECTION
29 15-704 MAY NOT RECEIVE MONEY FROM THE FULL-DAY KINDERGARTEN FUND UNTIL THIS
30 TRAINING HAS BEEN RECEIVED BY THE KINDERGARTEN INSTRUCTORS ON STAFF.

31 P. FOR ANY SCHOOL DISTRICT THAT FUNDS VOLUNTARY FULL-DAY KINDERGARTEN
32 INSTRUCTION WITH MONIES FROM A DESEGREGATION LEVY OR A SPECIAL BUDGET
33 OVERRIDE PURSUANT TO SECTION 15-482 AND THAT QUALIFIES FOR MONIES FROM THE
34 FULL-DAY KINDERGARTEN FUND AND IF THE DESEGREGATION MONIES OR SPECIAL BUDGET
35 OVERRIDE MONIES ARE USED SOLELY TO PROVIDE FULL-DAY KINDERGARTEN INSTRUCTION,
36 THE GOVERNING BOARD SHALL HOLD A PUBLIC MEETING TO DETERMINE THE REALLOCATION
37 OF THOSE MONIES TO OTHER PROGRAMS OR WHETHER THOSE MONIES SHALL BE USED TO
38 REDUCE THE SCHOOL DISTRICT'S PRIMARY OR SECONDARY PROPERTY TAX LEVY, OR BOTH.

39 Sec. 4. Section 15-945, Arizona Revised Statutes, is amended to read:

40 15-945. Transportation support level

41 A. The support level for to and from school for each school district
42 for the current year shall be computed as follows:

43 1. Determine the approved daily route mileage of the school district
44 for the fiscal year prior to the current year.

2. Multiply the figure obtained in paragraph 1 of this subsection by one hundred seventy-five.

3. Determine the number of eligible students transported in the fiscal year prior to the current year.

4. Divide the amount determined in paragraph 1 of this subsection by the amount determined in paragraph 3 of this subsection to determine the approved daily route mileage per eligible student transported.

5. Determine the classification in column 1 of this paragraph for the quotient determined in paragraph 4 of this subsection. Multiply the product obtained in paragraph 2 of this subsection by the corresponding state support level for each route mile as provided in column 2 of this paragraph.

<u>Column 1</u>	<u>Column 2</u>	
Approved Daily Route Mileage per Eligible Student Transported	State Support Level per Route Mile for Fiscal Year	
	2003-2004	2004-2005
0.5 or less	\$2.07	\$2.11
More than 0.5 through 1.0	\$1.68	\$1.71
More than 1.0	\$2.07	\$2.11

6. Add the amount spent during the prior fiscal year for bus tokens and bus passes for students who qualify as eligible students as defined in section 15-901.

8. The support level for academic education, career and technical education, vocational education and athletic trips for each school district for the current year is computed as follows:

1. Determine the classification in column 1 of paragraph 2 of this subsection for the quotient determined in subsection A, paragraph 4 of this section.

2. Multiply the product obtained in subsection A, paragraph 5 of this section by the corresponding state support level for academic education, career and technical education, vocational education and athletic trips as provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for the type of district.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Approved Daily Route Mileage per Eligible Student Transported	District Type <u>02 or 03</u>	District Type <u>04</u>	District Type <u>05</u>
0.5 or less	0.15	0.10	0.25
More than 0.5 through 1.0	0.15	0.10	0.25
More than 1.0	0.18	0.12	0.30

For the purposes of this paragraph, "district type 02" means a unified school district or an accommodation school that offers instruction in grades nine through twelve, "district type 03" means a common school district not within a high school district, "district type 04" means a common school district within a high school district or an accommodation school that does not offer

1 instruction in grades nine through twelve and "district type 05" means a high
2 school district.

3 C. The support level for extended school year programs for pupils with
4 disabilities is computed as follows:

5 1. Determine the sum of the following:

6 (a) The total number of miles driven by all buses of a school district
7 while transporting eligible pupils with disabilities on scheduled routes from
8 their residence to the school of attendance and from the school of attendance
9 to their residence on routes for an extended school year program in
10 accordance with section 15-881.

11 (b) The total number of miles driven on routes approved by the
12 superintendent of public instruction for which a private party, a political
13 subdivision or a common or a contract carrier is reimbursed for bringing an
14 eligible pupil with a disability from the place of the pupil's residence to
15 a school transportation pickup point or to the school facility of attendance
16 and from the school transportation scheduled return point or from the school
17 facility to the pupil's residence for an extended school year program in
18 accordance with section 15-881.

19 2. Multiply the sum determined in paragraph 1 of this subsection by
20 the state support level for the district determined as provided in subsection
21 A, paragraph 5 of this section.

22 D. The transportation support level for each school district for the
23 current year is the sum of the support level for to and from school as
24 determined in subsection A of this section and the support level for academic
25 education, career and technical education, vocational education and athletic
26 trips as determined in subsection B of this section and the support level for
27 extended school year programs for pupils with disabilities as determined in
28 subsection C of this section.

29 E. The state support level for each approved route mile, as provided
30 in subsection A, paragraph 5 of this section, shall be adjusted by the growth
31 rate prescribed by law, subject to appropriation.

32 Sec. 5. Title 15, chapter 9, article 5, Arizona Revised Statutes, is
33 amended by adding section 15-980, to read:

34 15-980. Uncollected property tax; supplemental state aid

35 A. IF A COUNTY TREASURER CERTIFIES TO A SCHOOL DISTRICT AS OF JANUARY
36 1 THAT, IN THE TREASURER'S REASONABLE BELIEF, MORE THAN THIRTY PER CENT OF
37 THE PRIMARY PROPERTY TAX REVENUES THAT THE SCHOOL DISTRICT IS ENTITLED BY LAW
38 TO RECEIVE PURSUANT TO SECTION 42-18052 WILL NOT BE REMITTED TO THE DISTRICT
39 DUE TO PROPERTY TAX DELINQUENCIES, THE DISTRICT IS ELIGIBLE FOR SUPPLEMENTAL
40 STATE AID PURSUANT TO THIS SECTION.

41 B. ON RECEIVING A CERTIFICATE PURSUANT TO SUBSECTION A OF THIS
42 SECTION, THE SCHOOL DISTRICT MAY APPLY TO THE DEPARTMENT OF EDUCATION FOR
43 SUPPLEMENTAL STATE AID. THE APPLICATION SHALL INCLUDE THE COUNTY TREASURER'S
44 CERTIFIED ESTIMATE OF THE TOTAL AMOUNT OF UNCOLLECTED PRIMARY PROPERTY TAXES
45 FOR THE SCHOOL DISTRICT FOR THE TAX YEAR PAYABLE IN THE CURRENT FISCAL YEAR.

1 C. WITHIN FORTY-FIVE DAYS AFTER RECEIVING A COMPLETE AND CORRECT
2 APPLICATION, THE STATE BOARD OF EDUCATION SHALL PAY TO THE SCHOOL DISTRICT
3 FROM AMOUNTS APPROPRIATED FOR STATE AID THE AMOUNT DETERMINED IN SUBSECTION
4 B OF THIS SECTION. THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE COUNTY
5 TREASURER AND THE COUNTY SCHOOL SUPERINTENDENT OF THE AMOUNT AND THE DATE OF
6 THE PAYMENT OF THE SUPPLEMENTAL STATE AID. SUPPLEMENTAL STATE AID PAID UNDER
7 THIS SECTION SHALL BE EXCLUDED FROM THE CALCULATION MADE PURSUANT TO SECTION
8 15-973, SUBSECTION C.

9 D. THE SUPERINTENDENT OF A SCHOOL DISTRICT THAT RECEIVES SUPPLEMENTAL
10 STATE AID SHALL REPORT TO THE DEPARTMENT OF EDUCATION BETWEEN MAY 5 AND MAY
11 25 THE ACTUAL AMOUNT OF PRIMARY PROPERTY TAXES THAT WERE NOT COLLECTED AND
12 REMITTED TO THE DISTRICT DURING THE CURRENT FISCAL YEAR, BASED ON INFORMATION
13 FROM THE COUNTY TREASURER. IF THE AMOUNT OF SUPPLEMENTAL STATE AID PAID
14 PURSUANT TO SUBSECTION C OF THIS SECTION EXCEEDS THE ACTUAL AMOUNT OF THE
15 UNCOLLECTED PRIMARY PROPERTY TAXES THAT THE DISTRICT IS ENTITLED TO RECEIVE,
16 THE STATE BOARD OF EDUCATION SHALL DEDUCT THE DIFFERENCE BETWEEN THE AMOUNT
17 OF SUPPLEMENTAL STATE AID PAID AND THE AMOUNT OF THE UNCOLLECTED PRIMARY
18 PROPERTY TAXES FROM THE JUNE 15 AND, IF NECESSARY, SUBSEQUENT APPORTIONMENTS
19 OF STATE AID PURSUANT TO SECTION 15-973, SUBSECTION B.

20 E. BEGINNING ON JUNE 1 AFTER THE PAYMENT OF SUPPLEMENTAL STATE AID,
21 THE COUNTY SCHOOL SUPERINTENDENT SHALL REPORT QUARTERLY TO THE DEPARTMENT OF
22 EDUCATION THE AMOUNT OF ANY PAYMENTS OF DELINQUENT PRIMARY PROPERTY TAXES
23 RECEIVED BY THE DISTRICT DURING THE PREVIOUS QUARTER WITH RESPECT TO A TAX
24 YEAR FOR WHICH THE SUPPLEMENTAL STATE AID WAS PAID. THE DEPARTMENT SHALL
25 DEDUCT THE AMOUNT REPORTED FROM THE NEXT APPORTIONMENT OF STATE AID TO THE
26 DISTRICT PURSUANT TO SECTION 15-973, SUBSECTION B. IF THE DISTRICT DOES NOT
27 RECEIVE ANY APPORTIONMENT PURSUANT TO SECTION 15-973, SUBSECTION B, THE
28 DEPARTMENT SHALL DIRECT THE SCHOOL DISTRICT SUPERINTENDENT TO PAY THAT AMOUNT
29 TO THE STATE TREASURER FOR DEPOSIT IN THE STATE GENERAL FUND.

30 Sec. 6. Laws 2002, chapter 330, section 49 is amended to read:

31 Sec. 49. School districts; warrant interest expenses;
32 disbursements

33 ~~A. The sum of \$191,000,000 is appropriated in fiscal year 2003-2004~~
34 ~~from the state general fund to the state board of education and~~
35 ~~superintendent of public instruction for basic state aid and additional state~~
36 ~~aid entitlement for fiscal year 2003-2004. Such appropriation shall be~~
37 ~~disbursed on July 1, 2003 to the several counties for the school districts~~
38 ~~in each county in amounts equal to the reductions in apportionment of basic~~
39 ~~state aid and additional state aid required under section 48 of this act for~~
40 ~~fiscal year 2002-2003.~~

41 ~~B. The sum of \$293,800 is appropriated in fiscal year 2003-2004 from~~
42 ~~the state general fund to the state board of education and the superintendent~~
43 ~~of public instruction for any costs to school districts which may be~~
44 ~~associated with the reductions in apportionment of basic state aid and~~
45 ~~additional state aid for fiscal year 2002-2003 required by section 48 of this~~

1 ~~act. Such appropriation shall be disbursed on July 1, 2003 to the several~~
2 ~~counties for the school districts in each county and shall be allocated based~~
3 ~~on the per cent of the total \$191,000,000 deferred payment for fiscal year~~
4 ~~2002-2003 that is attributable to each individual school district.~~

5 C. Notwithstanding any provision of law, for fiscal year 2003-2004,
6 if the governing board of a school district incurred interest expenses for
7 registering warrants in fiscal year 2002-2003 due to LAWS 2002, CHAPTER 330,
8 section 48 of this act, the governing board may budget an estimated amount
9 for those interest expenses. Any such amount is specifically exempt from the
10 revenue control limit in fiscal year 2003-2004. If the budgeted estimate
11 amount is greater than the amount received pursuant to subsection B of this
12 section LAWS 2003, CHAPTER 262, SECTION 30 FOR THIS PURPOSE, the governing
13 board shall not expend more than the amount received pursuant to subsection
14 B of this section LAWS 2003, CHAPTER 262, SECTION 30 FOR THIS PURPOSE. If
15 the budgeted estimate amount is less than the amount received pursuant to
16 subsection B of this section LAWS 2003, CHAPTER 262, SECTION 30 FOR THIS
17 PURPOSE, the governing board may revise its budget during fiscal year
18 2003-2004 to include the actual amount received pursuant to subsection B of
19 this section LAWS 2003, CHAPTER 262, SECTION 30 FOR THIS PURPOSE and shall
20 not expend more than the amount received pursuant to subsection B of this
21 section LAWS 2003, CHAPTER 262, SECTION 30 FOR THIS PURPOSE.

22 Sec. 7. Laws 2002, chapter 330, section 51 is amended to read:

23 Sec. 51. Temporary prohibition on joining or forming joint
24 technological education districts

25 A. Notwithstanding sections 15-392 and 15-395, Arizona Revised
26 Statutes, school districts shall not be allowed to:

27 1. Form any new joint technological education district between
28 November 30, 2002 and June 30, 2004 2005, unless both of the following
29 requirements are met:

30 (a) At least two school district governing boards voted to participate
31 as part of the joint technological education district before February 1,
32 2002.

33 (b) The joint technological education district is approved by the
34 voters before November 30, 2002.

35 2. Join a joint technological education district between the effective
36 date of this act and June 30, 2004 2005, unless the school district shares
37 a border with a school district that currently belongs to the joint district
38 or, if the school district does not share a border with a school district
39 that currently belongs to the joint district, the governing board of the
40 school district voted to become part of the joint technological education
41 district at a public meeting before March 7, 2002 and the joinder is approved
42 by the voters before November 30, 2002. The election requirements prescribed
43 in sections 15-392 and 15-395, Arizona Revised Statutes, apply to any
44 joinders entered into pursuant to this paragraph.

1 B. A new joint technological education district formed pursuant to
2 subsection A, paragraph 1 of this section shall be limited to four hundred
3 fifty average daily membership students during the first two years of
4 operation THROUGH FISCAL YEAR 2004-2005.

5 Sec. 8. State board of education; charter school sponsorship

6 Notwithstanding title 15, chapter 1, article 8, Arizona Revised
7 Statutes, the state board of education shall not sponsor any additional
8 charter schools for fiscal year 2004-2005 and the state board of education
9 and the state board for charter schools shall enter into an intergovernmental
10 agreement for fiscal year 2004-2005 that requires the state board for charter
11 schools to provide the same type of oversight that year for charter schools
12 that are sponsored by the state board of education as the state board for
13 charter schools provides for charter schools sponsored by the state board for
14 charter schools.

15 Sec. 9. Calculation of instructional days for fiscal year
16 2004-2005

17 Notwithstanding any other law, for fiscal year 2004-2005, the term "one
18 hundred eighty days" in section 15-341.01, Arizona Revised Statutes, means
19 one hundred eighty days of instruction or an equivalent number of minutes of
20 instruction per school year based on a different number of days of
21 instruction approved by the school district governing board.

22 Sec. 10. Adjustment for rapid decline in student count for fiscal year
23 2004-2005

24 Notwithstanding section 15-942, Arizona Revised Statutes, for fiscal
25 year 2004-2005, the department of education shall reduce by fifty per cent
26 the amount of rapid decline funding that a school district would otherwise
27 be eligible to receive pursuant to section 15-942, subsections A through F,
28 Arizona Revised Statutes.

29 Sec. 11. Reduction in school district state aid apportionment;
30 fiscal year 2004-2005

31 A. Notwithstanding section 15-973, subsection B, paragraph 10, Arizona
32 Revised Statutes, the state board of education shall defer until July 1, 2005
33 \$191,000,000 of the basic state aid and additional state aid payment that
34 otherwise would be apportioned to school districts under that law on June 15,
35 2005.

36 B. The funding deferral required by this section does not apply to
37 charter schools.

38 Sec. 12. Appropriations; school districts; disbursements

39 A. The sum of \$191,000,000 is appropriated in fiscal year 2005-2006
40 from the state general fund to the state board of education and
41 superintendent of public instruction for basic state aid and additional state
42 aid entitlement for fiscal year 2005-2006. This appropriation shall be
43 disbursed on July 1, 2005 to the several counties for the school districts
44 in each county in amounts equal to the reductions in apportionment of basic

1 state aid and additional state aid that are required pursuant to section 11
2 of this act for fiscal year 2004-2005.

3 B. The sum of \$293,800 is appropriated in fiscal year 2005-2006 from
4 the state general fund to the state board of education and the superintendent
5 of public instruction for any costs to school districts that may be
6 associated with the reductions in apportionment of basic state aid and
7 additional state aid for fiscal year 2004-2005 that are required pursuant to
8 section 11 of this act. This appropriation shall be disbursed on July 1,
9 2005 to the several counties for the school districts in each county and
10 shall be allocated based on the per cent of the total \$191,000,000 deferred
11 payment for fiscal year 2004-2005 that is attributable to each individual
12 school district.

13 C. Notwithstanding any provision of law, for fiscal year 2005-2006,
14 if the governing board of a school district incurred interest expenses for
15 registering warrants in fiscal year 2004-2005 pursuant to section 11 of this
16 act, the governing board may budget an estimated amount for those interest
17 expenses. Any such amount is specifically exempt from the revenue control
18 limit in fiscal year 2005-2006. If the budgeted estimate amount is greater
19 than the amount received pursuant to subsection B of this section, the
20 governing board shall not expend more than the amount received pursuant to
21 subsection B of this section. If the budgeted estimate amount is less than
22 the amount received pursuant to subsection B of this section, the governing
23 board may revise its budget during fiscal year 2005-2006 to include the
24 actual amount received pursuant to subsection B of this section and shall not
25 expend more than the amount received pursuant to subsection B of this
26 section.

27 Sec. 13. Appropriation; purpose; exemption

28 A. The sum of \$21,000,000 is appropriated from the state general fund
29 in fiscal year 2004-2005 to the department of education for distribution to
30 schools and charter schools with a student count in which at least ninety per
31 cent of the pupils meet the economic eligibility requirements established
32 under the national school lunch and child nutrition acts (42 United States
33 Code sections 1751 through 1785) for the purpose of providing full-day
34 kindergarten instruction as prescribed in section 15-901.02, Arizona Revised
35 Statutes, as added by this act.

36 B. The appropriation made in subsection A of this section is exempt
37 from the provisions of section 35-190, Arizona Revised Statutes, relating to
38 lapsing of appropriations.

39 Sec. 14. Appropriation; purpose; exemption

40 A. The sum of \$4,000,000 is appropriated from the state general fund
41 in fiscal year 2004-2005 to the school facilities board for distribution of
42 capital grants to school districts that require immediate additional space
43 in order to provide full-day kindergarten programs pursuant to this act. The
44 school facilities board shall establish application procedures and selection
45 criteria for school districts that wish to apply for capital grants pursuant

1 to this section. Schools that have insufficient classroom space to offer
2 full-day kindergarten instruction may apply for capital grants pursuant to
3 this section. The selection criteria shall include an assessment of district
4 space and the ability of schools to offer full-day kindergarten programs at
5 existing neighborhood schools.

6 B. The appropriation made in subsection A of this section is exempt
7 from the provisions of section 35-190, Arizona Revised Statutes, relating to
8 lapsing of appropriations.

9 Sec. 15. Fund transfer; allocation

10 The sum of \$600,000 is transferred from the certificates of
11 participation fund to the department of education for allocation in fiscal
12 year 2004-2005 to a school district that included at least one hundred fifty
13 pupils from unorganized territories in its average daily membership count for
14 fiscal year 2002-2003. A school district that receives funding pursuant to
15 this section may use the funding only to purchase pupil transportation
16 vehicles and may increase its capital outlay revenue limit for fiscal year
17 2004-2005 by the amount of funding received pursuant to this section.

18 Sec. 16. Desegregation budget; limit

19 Notwithstanding section 15-910, Arizona Revised Statutes, the maximum
20 amount that a school district may budget for desegregation activities for
21 fiscal year 2004-2005 shall be computed as follows:

22 1. Determine the amount that the district budgeted for desegregation
23 activities for fiscal year 2003-2004 pursuant to Laws 2002, chapter 68,
24 section 3.

25 2. Compute the percentage increase in average daily membership for the
26 district, as defined in section 15-901, Arizona Revised Statutes, for the
27 2003-2004 school year above the 2002-2003 school year. If average daily
28 membership for the district decreased for the 2003-2004 school year below the
29 2002-2003 school year, assume a per cent increase of zero.

30 3. Multiply the amount determined in paragraph 1 of this section by
31 the percentage determined in paragraph 2 of this section.

32 4. Multiply the amount determined in paragraph 1 of this section by
33 two per cent for assumed inflation.

34 5. Add the amounts determined in paragraphs 1, 3 and 4 of this
35 section.

36 Sec. 17. Appropriation: Hayden-Winkelman unified school
37 district; repayment schedule and terms

38 A. Notwithstanding section 15-2084, Arizona Revised Statutes, the sum
39 of \$3,215,000 is appropriated from the school improvement revenue bond debt
40 service fund for fiscal year 2004-2005 to the department of education for
41 distribution to Hayden-Winkelman unified school district No. 41. The
42 district shall use the monies solely for the purpose of redeeming its
43 outstanding series 1994 callable general obligation bonds.

44 B. The district shall levy a tax on the secondary assessment roll to
45 repay the amount appropriated by this section in five annual installments of

1 principal and simple interest at the rate of four per cent per year on July
2 1, 2011, July 1, 2012, July 1, 2013, July 1, 2014 and July 1, 2015, but not
3 more than a total sum of \$830,000 each year. The payments shall be credited
4 to the school improvement revenue bond debt service fund established by
5 section 15-2084, Arizona Revised Statutes.

6 C. Notwithstanding any other law, through July 1, 2015 the district
7 shall not propose or conduct any election to approve:

8 1. Any budget override.

9 2. Any authorization to issue bonds or incur any other form of
10 district indebtedness.

11 Sec. 18. Joint legislative study committee; Hayden-Winkelman
12 property taxes

13 A. The joint legislative study committee on Hayden-Winkelman property
14 taxes is established consisting of the following members:

15 1. Three members of the senate who are appointed by the president of
16 the senate, including the chairperson of the senate appropriations committee
17 and the senator whose legislative district includes the Hayden-Winkelman
18 unified school district No. 41.

19 2. Three members of the house of representatives who are appointed by
20 the speaker of the house of representatives, including the chairperson of the
21 house of representatives appropriations committee and one member whose
22 legislative district includes the Hayden-Winkelman unified school district
23 No. 41.

24 3. One member who represents a statewide tax research organization and
25 who is appointed by the president of the senate.

26 4. One member who owns commercial real property in the
27 Hayden-Winkelman unified school district No. 41 and who is appointed by the
28 speaker of the house of representatives.

29 5. One member who is appointed by the president of the senate and who
30 represents a taxpayer that owns taxable property in the Hayden-Winkelman
31 unified school district No. 41 and in the town of Hayden that is valued by
32 the department of revenue pursuant to title 42, chapter 14, Arizona Revised
33 Statutes.

34 6. One member who is appointed by the speaker of the house of
35 representatives and who resides in and owns residential real property in the
36 Hayden-Winkelman unified school district No. 41.

37 7. One member of the governing body of the Hayden-Winkelman unified
38 school district No. 41 who is appointed by the president of the senate.

39 8. One member of the governing body of the town of Hayden who is
40 appointed by the speaker of the house of representatives.

41 9. One member who has expertise in public finance and investment
42 banking and who is appointed by the governor.

43 B. Members of the committee serve without compensation or
44 reimbursement of expenses. The committee shall select a chairperson from its
45 membership. The legislature shall provide meeting space and the joint

1 legislative budget committee shall provide staff support for the study
2 committee.

3 C. The study committee shall analyze the indebtedness, expenditures,
4 property taxes and other revenues of the Hayden-Winkelman unified school
5 district No. 41 and the town of Hayden and consider all possible solutions
6 to provide long-term relief and stability for the residents, property owners
7 and taxpayers of the community. The study committee shall submit a report
8 of its findings and recommendations to the president of the senate, the
9 speaker of the house of representatives and the governor on or before
10 December 31, 2004 and shall provide a copy of this report to the secretary
11 of state and the director of the Arizona state library, archives and public
12 records.

13 Sec. 19. Repeal

14 Section 18 of this act, relating to the joint legislative study
15 committee on Hayden-Winkelman property taxes, is repealed from and after
16 September 30, 2005.

17 Sec. 20. Publication

18 The publishers of the annotated Arizona Revised Statutes shall include
19 the text of section 17 of this act with the annotations under section 15-481,
20 Arizona Revised Statutes, through 2015.

21 Sec. 21. Retroactivity

22 A. Except as provided in subsection B of this section, this act
23 applies retroactively to from and after June 30, 2004.

24 B. Laws 2002, chapter 330, section 49, as amended by this act, applies
25 retroactively to from and after June 29, 2004.

APPROVED BY THE GOVERNOR MAY 28, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 28, 2004.

Passed the House May 20, 2004

by the following vote: 35 Ayes,

25 Nays, 0 Not Voting

Jake Flake
Speaker of the House
Norman L. Syoore
Chief Clerk of the House

Passed the Senate May 5, 2004

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

Ken Bennett
President of the Senate
Charmian Billings
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

S.B. 1405

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate May 24, 2004,

by the following vote: 23 Ayes,

6 Nays, 1 Not Voting

[Signature]
President of the Senate
[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24th day of May, 2004,

at 3:49 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 28 day of

May, 2004,

at 11³⁰ o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28 day of May, 2004,

at 1:47 o'clock P. M.

[Signature]
Secretary of State

S.B. 1405